

# Exhibit 16

**In The Matter Of:**  
*U.S. Securities and Exchange Commission v.  
Elek Straub, Andras Balogh and Tamas Morvai*

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*Andras Balogh  
Vol. 1  
July 28, 2014*

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<p>1    Q    Mr. Balogh, I'd like you to take a look at  2    <a href="#">Exhibit 130</a> and tell me if you can identify this as an  3    e-mail that you sent to Mr. Straub on or about May 2nd,  4    2005?</p> <p>5    A    I can't remember the e-mail. I see my name  6    and Mr. Straub's name. It could be my e-mail.</p> <p>7    Q    Okay. So you have no reason to doubt that  8    you faxed this e-mail?</p> <p>9    A    No, but I don't remember this e-mail  10   either.</p> <p>11   Q    Okay. And in the first sentence, at least  12   according to the translation it says, there is still no  13   answer to the nonpaper. In the translation it says  14   because of the Orthodox Eastern. I'm wondering if that  15   in the original means Orthodox Easter?</p> <p>16   A    Obviously it does, yes.</p> <p>17   Q    Okay. It says, however, they have already  18   informed us that they cannot really meet in Greece or  19   Vienna next week because they cannot justify the travel  20   officially.</p> <p>21        Can you tell me what meeting you were  22   referring to there?</p> <p>23   A    I don't know.</p> <p>24   Q    Okay. Do you have any idea who the "they"  25   in the sentence refers to?</p>	Page 61	Page 63
<p>1    A    I don't remember the circumstances of  2    writing this e-mail. Actually, I don't even remember  3    writing this e-mail. So I can't answer specific  4    questions about that.</p> <p>5    Q    Okay. Do you recall any discussions  6    involving meetings with Macedonia government officials  7    that would take place in early May 2005?</p> <p>8    A    I don't remember specific meetings that  9    took place in early 2005, or early May 2005, but I  10   would not rule out that there were such meetings as  11   there were negotiations between MakTel and the  12   government of Macedonia. Actually there could have  13   been negotiations meeting. I don't remember what this  14   may refer to.</p> <p>15   Q    All right. Do you recall any discussions  16   about meeting with Macedonia officials in Vienna in  17   particular?</p> <p>18   A    In Vienna, no.</p> <p>19   Q    Okay. Instead of this they recommend Orind  20   [sic] by keeping the journalists away (I don't know how  21   they are going to warrant this, but they have promised  22   they would keep secret everything).</p> <p>23        Do you have any understanding of what that  24   reference is to, why it would be necessary to keep  25   something secret, or keep a meeting secret?</p>	Page 62	Page 64

U.S. Securities and Exchange Commission v.  
Elek Straub, Andras Balogh and Tamas Morvai

<p style="text-align: right;">Page 65</p> <p>1 I see it, I can't remember the details of that visit. 2 That was nine years ago. It says I was there, it could 3 be.</p> <p>4 <b>Q If you look at the prior page, there are</b> 5 <b>similar entries for Mr. Elek Straub and Mr. Tamas</b> 6 <b>Morvai for the same dates. Do you have any</b> 7 <b>recollection at all of a meeting on or about May 5th</b> 8 <b>and 6th, 2005, with your went to Macedonia with Mr.</b> 9 <b>Straub and Mr. Morvai?</b></p> <p>10 A No, I can't remember that specifically 11 meeting.</p> <p>12 (Previously marked <a href="#">Exhibit 30</a> for purposes 13 of identification.)</p> <p>14 <b>BY MR. DODGE:</b></p> <p>15 Q I'm handing you a document that's been 16 previously marked as Exhibit Number 30. And this is -- 17 Exhibit Number 30 is a three-page document. First page 18 is an e-mail from Jovan Pejkovski to Andras Balogh 19 dated May 16th, 2005, with an attached two-page letter. 20 Bates numbers are MT-MAK 1049185 to 187.</p> <p>21 Mr. Balogh, I'd ask you to take a look at 22 <a href="#">Exhibit 30</a> and tell me if this is indeed an e-mail that 23 you received from Mr. Pejkovski in May of 2005.</p> <p>24 A It appears so.</p> <p>25 Q Okay. Do you recall receiving this e-mail?</p>	<p style="text-align: right;">Page 67</p> <p>1 <b>whether that particular meeting took place?</b> 2 A Whether that particular meeting took place, 3 I can't remember because I don't know what happened on 4 that particular meeting, but there were meetings and 5 meetings I participated in. I told you already, there 6 were meetings. Which meeting was that, on what day, I 7 can't tell you after nine years.</p> <p>8 <b>Q If you turn to the bottom of the letter it</b> 9 <b>says, GOM proposes to exclude from the proposed</b> 10 <b>protocol all items that are essentially related to the</b> 11 <b>strategic interests of the GOM, which were an integral</b> 12 <b>part of the protocol. And then it continues on the</b> 13 <b>following page that 250 new employees will be</b> 14 <b>recruited, that the monthly fee will not be increased</b> 15 <b>without a previous agreement with the GOM, that the</b> 16 <b>head count reduction in the company will be performed</b> 17 <b>based on an agreement between the trade union and the</b> 18 <b>management.</b></p> <p>19 Do you recall what those issues refer to?</p> <p>20 A Generally issues listed in this letter -- 21 give me some more time to review it.</p> <p>22 Q Sure.</p> <p>23 A (Witness reviewing document.)</p> <p>24 This lists the key issues and themes of the 25 negotiations concerning the cooperation between the</p>
<p style="text-align: right;">Page 66</p> <p>1 A No.</p> <p>2 Q Do you have any reason to believe you did 3 not receive it?</p> <p>4 A I have no reason to believe it.</p> <p>5 Q Take a look at the attached letter, which 6 is signed by Jovan Pejkovski and Mr. Ljupco Farmakoski. 7 We've already discussed Mr. Pejkovski. Will you tell 8 me who Mr. Farmakoski was?</p> <p>9 A Mr. Farmakoski probably was the colleague 10 or associate of Mr. Pejkovski, and they were 11 negotiating together on behalf of the government.</p> <p>12 Q And then the first paragraph of the letter 13 says, we would like to inform you on the final attitude 14 of the government of the Republic of Macedonia related 15 to the proposed Protocol for Cooperation between the 16 GOM and Matav which we agreed in Skopje.</p> <p>17 Where it says, "we agreed in Skopje", does 18 that refresh your recollection as to any meetings that 19 you were involved in in early part of May of 2005?</p> <p>20 A It doesn't refresh any memories. All I can 21 say that this could be possible, but I don't remember, 22 still don't remember the meeting even if I read this 23 document.</p> <p>24 Q Okay. So not only do you not remember what 25 happened at the meeting, you don't remember even</p>	<p style="text-align: right;">Page 68</p> <p>1 government and Macedonia, between the company and the 2 government of Macedonia, that obviously and related to 3 the Protocol of Cooperation, and these are important 4 issues that were the subject of negotiations.</p> <p>5 The line item you were requesting, it 6 appears to me that it's a reference to the labor 7 reductions or redundancy.</p> <p>8 <b>THE WITNESS:</b> Talking to interpreter.</p> <p>9 <b>THE INTERPRETER:</b> To allow people to leave 10 or to remove people or to something, let them go. To 11 let them go.</p> <p>12 <b>THE WITNESS:</b> I mean, it's not allow people 13 to leave, it's firing people. It's firing people. So 14 it's making redundancies. In general, it was a big 15 issue for the government because the unemployment rate 16 was very high in Macedonia. I can't tell you now what 17 percentage, but it is really, really high.</p> <p>18 <b>BY MR. DODGE:</b></p> <p>19 Q If I said 37 percent, would that sound 20 about right?</p> <p>21 A 37 percent?</p> <p>22 Q Does that sound right?</p> <p>23 A I mean, it sounds low. Maybe it wasn't 24 that. In a country 37 percent is the unemployment. I 25 mean, I'm just thinking out loud, that's quite a lot,</p>

<p>1 A No.</p> <p>2 Q And you don't recall --</p> <p>3 A As I read it today, you know, I can</p> <p>4 interpret that on the 5th and 6th of May there was an</p> <p>5 agreement about cooperation issues between the</p> <p>6 government and MakTel.</p> <p>7 MR. DODGE: Number 18, please.</p> <p>8 (Balogh <a href="#">Exhibit 132</a> marked for purposes of</p> <p>9 identification.)</p> <p>10 BY MR. DODGE:</p> <p>11 Q I'm handing you a document that's been</p> <p>12 marked Exhibit 132. <a href="#">Exhibit 132</a> is an e-mail chain,</p> <p>13 three pages -- well, the total document is six pages.</p> <p>14 First three pages are an e-mail chain that are</p> <p>15 partially -- actually all in English. Bottom three</p> <p>16 pages are Hungarian originals with partially in</p> <p>17 Hungarian and partially in English.</p> <p>18 The top e-mail of the e-mail chain --</p> <p>19 actually the bottom e-mail in the first page of the</p> <p>20 e-mail chain is from Andras Balogh dated May 17th,</p> <p>21 2005, to Peter Danko, Elek Straub, and Tamas Morvai.</p> <p>22 Take a look, please, at <a href="#">Exhibit 132</a> and</p> <p>23 tell me whether you recognize this e-mail chain?</p> <p>24 A (Witness reviewing document.)</p> <p>25 Not that I specifically wrote this e-mail.</p>	<p>Page 77</p> <p>1 indicated below and between the government of --</p> <p>2 Republic of Macedonia represented by His Excellency,</p> <p>3 Mr. Vlado Buckovski and then on behalf of Matav</p> <p>4 represented by Elek Straub.</p> <p>5 If you look at the second page on the</p> <p>6 signature lines, over the signature line for Elek</p> <p>7 Straub, do you recognize that signature?</p> <p>8 A I do.</p> <p>9 Q And is that your signature?</p> <p>10 A Yes, it is.</p> <p>11 Q So did you sign this document on Mr.</p> <p>12 Straub's behalf?</p> <p>13 A That's right.</p> <p>14 Q Do you recognize the signature of</p> <p>15 Mr. Buckovski?</p> <p>16 A No.</p> <p>17 Q Okay. There are initials on both pages</p> <p>18 starting on the bottom left corner.</p> <p>19 Do you recognize those initials?</p> <p>20 A Bottom left I recognize. This appears to</p> <p>21 be my initials.</p> <p>22 Q Okay. And then there's a series of</p> <p>23 initials on the bottom right.</p> <p>24 Do you recognize those?</p> <p>25 A No.</p>
<p>Page 78</p> <p>1 I see my name on the e-mail. So I have no reason to</p> <p>2 believe that I have not sent it or received these</p> <p>3 e-mails.</p> <p>4 MR. DODGE: I think I'm going to move on.</p> <p>5 21 and 22.</p> <p>6 (Previously marked <a href="#">Exhibit 11</a> for purposes</p> <p>7 of identification.)</p> <p>8 (Previously marked <a href="#">Exhibit 12</a> for purposes</p> <p>9 of identification.)</p> <p>10 BY MR. DODGE:</p> <p>11 Q Mr. Balogh, I'm handing you two documents</p> <p>12 that have been previously marked Plaintiff's Exhibits</p> <p>13 11 and 12. Each of them is two-page document with the</p> <p>14 heading Protocol of Cooperation.</p> <p>15 The first bears -- <a href="#">Exhibit 11</a> bears the</p> <p>16 Bates numbers GREEK-MLAT-7 and 8. <a href="#">Exhibit 12</a> has the</p> <p>17 Bates numbers GREEK-MLAT-9 and 10.</p> <p>18 I'd like you to review those, please, and</p> <p>19 tell me if you've seen them before?</p> <p>20 A It appears to be signed Protocol of</p> <p>21 Cooperation.</p> <p>22 BY MR. DODGE:</p> <p>23 Q So let's take a look at <a href="#">Exhibit 11</a> first.</p> <p>24 And this is in the -- on the first page it says, this</p> <p>25 Protocol of Cooperation is entered into on the date</p>	<p>Page 80</p> <p>1 Q So tell me about the circumstances under</p> <p>2 which you signed Exhibit 11?</p> <p>3 MR. SULLIVAN: Object to form.</p> <p>4 Can you narrow and refine that a little</p> <p>5 bit?</p> <p>6 MR. DODGE: Okay.</p> <p>7 BY MR. DODGE:</p> <p>8 Q The agreement is dated May 27th, 2005. Did</p> <p>9 you sign <a href="#">Exhibit 11</a> on May 27th, 2005?</p> <p>10 A I don't remember on which day I signed this</p> <p>11 document. I do not remember the exact date. I have no</p> <p>12 reason to believe it wasn't on the 27th of May.</p> <p>13 Q Do you know where you were when you signed</p> <p>14 it?</p> <p>15 A I don't really remember, but, as I recall,</p> <p>16 you know, I vaguely remember it, and from the</p> <p>17 circumstances of this document I should have been or I</p> <p>18 must have been in -- somewhere in Macedonia to sign it.</p> <p>19 Q Okay. Did you sign this document together</p> <p>20 with Mr. Pejkovski?</p> <p>21 A Definitely not.</p> <p>22 Q And you're certain about that? So tell me</p> <p>23 about your recollection.</p> <p>24 A I'm pretty certain about that, because if I</p> <p>25 signed something with a prime minister, any prime</p>

<p style="text-align: right;">Page 81</p> <p>1 minister, I should remember that. The prime minister 2 is somebody. I definitely do not remember signing 3 anything with the prime minister.</p> <p>4 <b>Q Do you know whether you signed this</b> 5 <b>document before the prime minister or after the prime</b> 6 <b>minister?</b></p> <p>7 A I can't say.</p> <p>8 <b>Q Do you remember who also was with you when</b> 9 <b>you signed the document?</b></p> <p>10 A I don't know.</p> <p>11 <b>Q Were any of the Greeks with you?</b></p> <p>12 A I have no idea.</p> <p>13 <b>Q After you signed it, after you signed</b> 14 <b>Exhibit 11, what did you do with the document? Did you</b> 15 <b>make a copy? Did you keep a copy?</b></p> <p>16 A As I told you, I don't remember.</p> <p>17 <b>Q Do you know whether the only original of</b> 18 <b>the -- of Exhibit 11 was taken by Mr. Kefaloyannis?</b></p> <p>19 A It could be that he could take the 20 original, yes.</p> <p>21 <b>Q Did you understand at the time that there</b> 22 <b>were going to be no copies of the signed Protocol of</b> 23 <b>Cooperation?</b></p> <p>24 A Well, the Greeks acted as a trusted third 25 party in these negotiations. So it wasn't surprising</p>	<p style="text-align: right;">Page 83</p> <p>1 <b>your chief executive officer, Mr. Straub; is that</b> 2 <b>right?</b></p> <p>3 A Yes. That's why it says PP.</p> <p>4 <b>Q Did you bring a signed copy of the</b> 5 <b>agreement back to Mr. Straub?</b></p> <p>6 A I can't remember if -- you know, if I had 7 taken back a signed copy to the chief officer, then why 8 did you say that the only copy was with Mr. 9 Kefaloyannis. So most likely I did not.</p> <p>10 <b>Q Wouldn't Mr. Straub expect to get a signed</b> 11 <b>copy of the protocol --</b></p> <p>12 A I don't think so.</p> <p>13 <b>Q -- if a document is signed under his name?</b></p> <p>14 A I signed it on his behalf, so.</p> <p>15 <b>Q Did you have permission from Mr. Straub not</b> 16 <b>to bring a signed copy back with you?</b></p> <p>17 A I had permission from Mr. Straub to sign 18 the document on his behalf, obviously.</p> <p>19 <b>Q Does -- is there a formal archive system</b> 20 <b>exist at Magyar Telekom when you were there?</b></p> <p>21 A Yes. There are archive systems, yes.</p> <p>22 <b>Q And was it part of that system that</b> 23 <b>contracts entered into on behalf of the corporation</b> 24 <b>were maintained in the archives?</b></p> <p>25 A That wasn't my responsibility to take care</p>
<p style="text-align: right;">Page 82</p> <p>1 that they take the original version as they were acting 2 as kind of peacemakers between two parties, I mean, 3 between MakTel and Magyar Telekom and the government of 4 Macedonia. So it wasn't anything unusual.</p> <p>5 <b>Q Did you keep a signed copy of the protocol?</b></p> <p>6 A I did not.</p> <p>7 <b>Q Why not?</b></p> <p>8 A Because I did not need a signed copy of the 9 protocol because I most likely had everything as an 10 electronic version. The protocol was not a binding 11 document, Mr. Dodge. I mean, I had no reason to keep 12 it signed or not signed. It's a wish list.</p> <p>13 It's more a memorandum of understanding 14 than a proper contract for anybody, and, again, I gave 15 you the big picture. More import is the general 16 relationship between the company and the government 17 than what is the exact form. That's a formality.</p> <p>18 The real rationale behind is that we set 19 forth the framework of cooperation, and, as I sit here 20 today and I interpret what I see and my recollection 21 whether it was signed or not, whether I had a signed 22 copy or not, and the fact that you said that a signed 23 copy was kept with the Greeks or Mr. Kefaloyannis, it's 24 not surprising at all.</p> <p>25 <b>Q Well, you signed this protocol on behalf of</b></p>	<p style="text-align: right;">Page 84</p> <p>1 of maintaining contracts in the archives. First of 2 all, the archives, if I remember, were electronic 3 archives. No hard copy archives, and, second, such 4 archives have been maintained by the legal department 5 or the financial department.</p> <p>6 Both the legal department and the financial 7 department were involved in creating or drafting or 8 finalizing these Protocol of Cooperation. That, in 9 fact, was not a contract, Mr. Dodge. This is a 10 memorandum of understanding.</p> <p>11 <b>Q And did you get authorization from anybody</b> 12 <b>in Magyar's in-house legal department or from the</b> 13 <b>archives department to not -- not provide a written</b> 14 <b>copy for the archives?</b></p> <p>15 <b>MR. SULLIVAN:</b> Objection to form.</p> <p>16 Go ahead.</p> <p>17 <b>THE WITNESS:</b> What authorization do you 18 mean? I didn't get any authorizations from the legal 19 departments. They were not supposed to authorize me to 20 do this or that. They had a copy, so they kept it in 21 the copy of their electronic files.</p> <p>22 <b>BY MR. DODGE:</b></p> <p>23 <b>Q You said "they had a copy"?</b></p> <p>24 A They had a copy of the document. I didn't 25 say they had a signed copy of the document. They had a</p>

<p>1 copy of the document. They had a copy of the text. 2 It's a framework. It's -- you know, I don't want to 3 call it a wish list, but it's basically a wish list. 4 Some of the items are realistic. Some of 5 the items are not realistic. This is a desired 6 framework of cooperation, a result of a bargaining 7 process. Obviously, all sides know that some of the 8 things could be realized and some could not be 9 realized. 10 If a wish list is put into an archive as a 11 signed version, unsigned version, I think it doesn't 12 make a difference; and most possibly the legal people 13 saw it the same way. They had a copy and they maintain 14 the archives.</p> <p><b>Q To your knowledge, did anyone in the legal department know that the agreement had been signed, but that no signed copy would be placed in the archive?</b></p> <p>A I assume at least the head counsel, Mr. Peter Danko, knew about that the document is signed. I don't remember who told him. I don't remember if I told him, but he was heavily involved in the negotiations. So I would be really surprised if after the signature somebody from within the company, possibly me, would not have told him that there is a signed version.</p>	<p>Page 85</p> <p>1 <b>copy of the protocol?</b> 2 A There was a signed copy kept of the 3 protocol by the Greeks. 4 <b>Q Was there any reason not to keep a signed copy of the protocol in the files of Magyar Telekom?</b> 5 A I answered this question already. 6 <b>Q No, you did not. Please give me the answer.</b> 7 A Okay. I'll start again. This was a 8 memorandum of understanding. The meaning of the 9 document was to set a framework of cooperation. There 10 was no need to have a signed copy to put into the 11 archives of Magyar Telekom because it's not a contract. 12 <b>Q Okay. So this is a document that you and others at Magyar Telekom had been negotiating for several months; is that right?</b> 13 A That's right. 14 <b>Q And the negotiations had been conducted at a high level of both the company and the government of Macedonia; is that right?</b> 15 A Exactly. 16 <b>Q Is that right?</b> 17 A Exactly, yes. 18 <b>Q And, in fact, the chief executive of Magyar Telekom had been involved in those negotiations?</b></p>
<p>1 This document had not been kept secret at 2 Magyar Telekom. It was very well-known that 3 negotiations are going on to sign such a framework 4 agreement, or a kind of memorandum of understanding how 5 to move ahead. It was very transparent within the 6 company. 7 <b>Q Did you discuss with Mr. Danko that no signed copy would be placed within the archives?</b> 8 A I don't think I discussed this with him. 9 <b>Q Why not keep a signed copy?</b> 10 A You know -- 11 <b>MR. SULLIVAN:</b> Objection to form. 12 He's not testified that there wasn't a 13 signed copy. He doesn't know. 14 <b>BY MR. DODGE:</b> 15 <b>Q Was there any reason, was there -- was there any reason not to bring a signed copy back?</b> 16 A It was not -- 17 <b>MR. SULLIVAN:</b> Asked and answered, 18 objection. 19 <b>MR. DODGE:</b> No, it's not answered. 20 <b>BY MR. DODGE:</b> 21 <b>Q Please answer.</b> 22 A Could you repeat the question? 23 <b>Q Was there any reason not to keep a signed</b></p>	<p>Page 86</p> <p>1 A Yes. 2 <b>Q And the prime minister of the country of Macedonia had been involved in those negotiations?</b> 3 A Yes. 4 <b>Q And officials from the Albanian political party in the Macedonia had been involved in negotiations; is that right?</b> 5 A Officials? Whom do you mean? What officials? 6 <b>Q Let me withdraw that question.</b> 7 <b>And the agreement had been signed both by -- at least by the prime minister of Macedonia and on behalf of the chief executive officer of Magyar Telekom; is that right?</b> 8 A Mr. Dodge, I can tell you again. I signed it. I did not sign this with the prime minister. I don't know when the prime minister signed it. Maybe the prime minister signed it after me. I know -- I can tell you what I know because I told you. 9 I would remember meeting the prime minister as I suppose anybody here in American would remember meeting the president of a country. I did not sign this with him. I signed it on behalf of the chief officer. Maybe the prime minister signed it after that, most likely actually.</p>

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1   **Q**   Okay. But the prime minister signed it?  
 2   **A**   Yes.  
 3   **Q**   And you signed for the CEO?  
 4   **A**   Yes.  
 5   **Q**   But notwithstanding that, your testimony is  
 6   the document wasn't important enough even to keep a  
 7   copy of; is that right?

8   **A**   No, no, no, that's not what I'm saying.  
 9   You are misinterpreting what I said.

10   **Q**   Then please clarify.

11   **A**   I want to make it very clear, so I would  
 12   like to tell it in Hungarian.

13   **THE WITNESS:** (Speaking in Hungarian).

14   **THE INTERPRETER:** I signed the document in  
 15   the name of the chief executive officer. I don't know  
 16   when the document has been signed by the prime  
 17   minister.

18   **THE WITNESS:** (Speaking in Hungarian).

19   **THE INTERPRETER:** Consequently, I cannot  
 20   say with any certainty whatsoever that when I departed  
 21   from Macedonia there was already existing copy signed  
 22   by both individuals, meaning me and the Macedonian  
 23   party.

24   **THE WITNESS:** (Speaking in Hungarian).

25   **THE INTERPRETER:** The document was

1   **THE WITNESS:** (Speaking in Hungarian).  
 2   **THE INTERPRETER:** Since this is not a  
 3   contract. This appeared to be reasonable to us -- to  
 4   me.

5   **BY MR. DODGE:**

6   **Q**   So would you -- when you came back to  
 7   Hungary from Macedonia, you knew that you did not have  
 8   a signed copy of the protocol?

9   **A**   Mr. Dodge, I don't remember. I assume I  
 10   did not have the signed copy of the Protocol of  
 11   Cooperation because then I would have taken it with me  
 12   and I would have shown it to the CEO or the head lawyer  
 13   or whatever, and I cannot recall that that happened.  
 14   So I assume a signed copy was not with me when I left  
 15   Macedonia, but I don't remember.

16   **Q**   But you know that later on other executives  
 17   at Magyar Telekom and at Deutsche Telekom asked you for  
 18   a signed copy and you had to explain why you didn't  
 19   have one; is that right?

20   **A**   I don't know what kind of request do you  
 21   mean?

22   **Q**   There was a request in Michael Gunther for  
 23   a signed copy of the agreement; is that right?

24   **A**   I don't remember. Maybe there was.

25   **Q**   And you had to explain to him why he

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1   important. The document was an important document, and  
 2   it was mostly important because of what was included in  
 3   that document, the points that were brought up.

4   **THE WITNESS:** (Speaking in Hungarian).

5   **THE INTERPRETER:** The intent of signing  
 6   these documents, this document, was that it would be  
 7   almost like a guidance for activities towards the  
 8   future pointing toward future activities.

9   **THE WITNESS:** (Speaking in Hungarian).

10   **THE INTERPRETER:** This purpose, the  
 11   guidance, was indicative of future cooperation between  
 12   the parties.

13   **THE WITNESS:** (Speaking in Hungarian).

14   **THE INTERPRETER:** And in this regard it was  
 15   less important that we would have in our possession a  
 16   copy signed by both parties.

17   Presumably both the government, Macedonian  
 18   government and Hungarian Telecom was fully aware that  
 19   the legal -- the legalized copy signed by both  
 20   parties --

21   **THE WITNESS:** I didn't say "legalized".

22   **THE INTERPRETER:** I'm sorry.

23   The signed copy of this document would be  
 24   deposited with a trusted third party, in this case, the  
 25   Greeks.

1   **couldn't have it; is that right?**

2   **A**   I don't remember.

3   **Q**   Okay. Was there anything bad that would  
 4   have happened had you kept the sign copy?

5   **MR. SULLIVAN:** Objection. What do you mean  
 6   by "bad"?

7   **THE WITNESS:** Yes, what do you mean by  
 8   "bad"?

9   **BY MR. DODGE:**

10   **Q**   Not good.

11   **MR. SULLIVAN:** What do you mean by "not  
 12   good". Did you have a particular issue that you want  
 13   to the explore?

14   **BY MR. DODGE:**

15   **Q**   Would there have been any adverse  
 16   consequences to you or to Magyar Telekom that you were  
 17   aware of that provided a reason for not keeping a  
 18   signed copy of the protocol?

19   **A**   Not at all. Not at all. We would have  
 20   been happy to keep a signed copy of the protocol.

21   **Q**   What discussions did you have with the  
 22   Greeks about whether to keep a signed copy of the  
 23   Protocol?

24   **MR. SULLIVAN:** Objection to form.

25   **THE WITNESS:** I can't recall any

<p style="text-align: right;">Page 165</p> <p>1 <b>e-mail to Mr. Straub?</b></p> <p>2 A It appears so.</p> <p>3 Q <b>So why did you use the word "logistics"?</b></p> <p>4 A As I said, the Greek partners, who had the 5 original idea to put the Kosovo MVNO operation as a 6 part of the negotiation package of the Protocol of 7 Cooperation, they referred to this business case as a 8 relatively simple exercise because all you have to do 9 is to transport and put down the existing base 10 stations, existing antennas, and existing containers 11 that will sell the sim cards on the ground. They said, 12 it mainly requires logistics expertise and it requires 13 some engineering and construction expertise.</p> <p>14 We refer to this project from then on as 15 the Macedonian or Greek logistics operation because 16 it's sounded much better than to call it an unlicensed 17 mobile operation in a country where we did not have 18 anything to do.</p> <p>19 Q <b>Well, why would it be unlicensed? Wouldn't 20 you get a license before you installed it?</b></p> <p>21 A Because we didn't have a license and the 22 Greeks did not have a license. Nobody had a license in 23 Kosovo.</p> <p>24 Q <b>Were you actually doing --</b></p> <p>25 A Actually, there was no government in</p>	<p style="text-align: right;">Page 167</p> <p>1 were very happy to touch.</p> <p>2 Q <b>But you negotiated for it in the Protocol 3 of Cooperation, right?</b></p> <p>4 A Yes.</p> <p>5 Q <b>And --</b></p> <p>6 A Because but it was pushed by the partners, 7 and that's why it cannot be a binding document, 8 Mr. Dodge, because you cannot expect that we are going 9 to start an unlicensed operation, we put, you know, an 10 unlicensed operation in a contract. We just can't do 11 that.</p> <p>12 Q <b>Well, but this is -- the MVNO was an 13 alternative to the government of Macedonia creating a 14 license for a third mobile operator in the Macedonia; 15 is that right?</b></p> <p>16 A You're wrong. You're wrong. If you read 17 number one, and probably as far as I see it's here in 18 front of you, there are two MVNO services. If you read 19 it you will see that one of the service, the MVNO 20 service in Kosovo, which is was an unlicensed 21 operation, and the second one was the MVNO substitute 22 for a third mobile license in Macedonia. Totally 23 different things.</p> <p>24 Q <b>But the success of the MVNO in Kosovo was 25 going to be used as the basis for an extension into</b></p>
<p style="text-align: right;">Page 166</p> <p>1 Kosovo. The idea was to put up the base stations and 2 the antennas on the border, provide service in that 3 direction to Macedonia and to that direction in Kosovo 4 without the license, you know, just -- you provide the 5 coverage and that's it.</p> <p>6 Who can use it, can use it. Who can use it 7 goes to the container and buys a sim card. That's it. 8 It was a very simplified approach. That's the reason 9 actually, and after a lot of discussions and 10 contemplations and technical and financial and legal 11 analysis, this whole idea was abandoned; however, 12 because of the important ethnic nature -- because of 13 the ethnic nature of the country, the Albanians, and 14 then the idea was to serve the Albanian ethnic minority 15 with such a service, it was high on the political 16 agenda of our negotiation partners. And for the Greeks 17 they see it as an excellent business opportunity for 18 them.</p> <p>19 They, as they provide the contractor, would 20 have controlled the budget to actually execute the 21 business case. That's why it was important for them. 22 It was more for them and for the government and for the 23 Macedonia all than for us. We were the least 24 interested in setting up a business because it was an 25 unlicensed operation. It was not something that we</p>	<p style="text-align: right;">Page 168</p> <p>1 <b>Macedonia?</b></p> <p>2 A But that doesn't make sense at all. I 3 mean, it's put down there because they wanted to write 4 it this way, but if you think about it, what's the 5 relation. Yes, the model, the success of the model in 6 an MVNO model can work in Macedonia; but an MVNO model 7 is totally different from a proper mobile operation 8 model. You said you are aware of the MVNO operation, 9 so you know that.</p> <p>10 Q <b>When the telecommunications law was passed 11 in Macedonia in early 2005, it contemplated the entry 12 of a third mobile phone operator in the Macedonia; is 13 that right?</b></p> <p>14 A I don't remember. I should see the role.</p> <p>15 Q <b>You don't remember that at all.</b></p> <p>16 A That it contemplated? What does it mean, 17 it considered?</p> <p>18 Q <b>Do you remember whether that was an issue 19 that you and others at Magyar Telekom spent a great 20 deal of time discussing in the early part of 2005?</b></p> <p>21 A It was a part of the Protocol of 22 Cooperation because it was one of the very important 23 agenda items between the company and the government of 24 Macedonia.</p> <p>25 Q <b>Okay. Let me just make sure I understand</b></p>

**In The Matter Of:**  
*U.S. Securities and Exchange Commission v.  
Elek Straub, Andras Balogh and Tamas Morvai*

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*Andras Balogh  
Vol. 2  
July 29, 2014*

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*Behmke Reporting and Video Services, Inc.  
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(415) 597-5600*

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1 **five interviews or less?**2 A When I refer to the ballpark of five, that  
3 included all kinds of interviews I had.4 **Q Okay. So both with the PSZAF and with the  
5 Hungarian police?**

6 A Yes.

7 **Q Okay. Any other government agencies?**

8 A Not that I currently remember.

9 **Q Do you know whether anyone else gave  
10 interviews to either the PSZAF or to the Hungarian  
11 police?**12 A I don't know. I assume they did, yes. I  
13 assume I wasn't the only person interviewed by those  
14 authorities, but I didn't know who they were and I  
15 didn't know what kind of interviews they gave -- they  
16 gave and when.17 **Q Okay. So no one else told you that they  
18 had been interviewed?**19 A I can't give you an answer to that, because  
20 I don't remember. It was a -- it was a known fact that  
21 there are interviews going on. So whether I -- I know  
22 about it only as a rumor or whether or not somebody  
23 told me directly that they were or were not  
24 interviewed, I cannot tell you, because I cannot  
25 remember.

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1 **Q Okay. Do you remember any -- any names of  
2 people that you believed gave interviews?**

3 A No.

4 **Q And is it correct that both in the  
5 interviews with the PSZAF and with the Hungarian  
6 police, you discussed what you believed were improper  
7 actions taken by White and Case; is that right?**

8 A No.

9 **Q Were there improper actions that you  
10 believed White and Case had taken?**11 A I did not discuss the improper actions of  
12 White and Case in those interviews. I answered the  
13 questions of the authorities. I didn't discuss  
14 anything with them. I answered their questions, and as  
15 I said, I have no idea what questions they asked. I  
16 don't remember.17 **Q Okay. But I thought I -- I thought I heard  
18 you say earlier that the information in your -- in the  
19 document you submitted with the notary public --**

20 A Yes.

21 **Q -- that that -- that that did include  
22 concerns you had about what White and Case was doing.**

23 A Yes.

24 **Q And I thought I -- I thought I understood  
25 you to say that you had shared some or all of that**1 **information with the authorities in Hungary.**2 A We have to go back to the record, because I  
3 don't remember saying that. If you understood that,  
4 that was not probably my intention to say or I  
5 misunderstood your question.6 I did not say that in -- with the  
7 authorities I was discussing the material with the --  
8 that -- that I put down with the notary public. With  
9 the authorities, I answered their questions. If they  
10 asked questions about White and Case, I must have  
11 answered them. Do I remember if they did? I don't.  
12 Can I answer the question? No.13 **Q And would that answer be the same for the  
14 PSZAF and for the Hungarian police?**

15 A Yes.

16 **Q When did you first become aware of the --  
17 the White and Case investigation?**

18 A After I came back from holiday in '06.

19 **Q Okay. In 2006.**20 **And so it would have been in early 2006,  
21 correct?**

22 A Somewhere in the end of January.

23 **Q And do you recall how you first learned  
24 about the investigation?**

25 A I don't really remember. Probably from the

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1 **whether it was February 1st or some other date, is it**  
 2 **correct that you obtained some data-wiping somewhere?**  
 3 A I don't remember.  
 4 Q **Do you remember whether you deleted any**  
 5 **data from your computer in early 2006?**  
 6 A I did.  
 7 Q **Do you remember the circumstances of that?**  
 8 A I -- I have a, you know, a recollection of  
 9 that event, yes.  
 10 Q **And do you recall whether or not you used**  
 11 **data-wiping somewhere to -- to delete that data?**  
 12 A I think I did.  
 13 Q **And where did you obtain the wiping**  
 14 **software?**  
 15 A I don't remember.  
 16 Q **Was that -- is it unusual for you to use**  
 17 **dating -- data-wiping software at that time?**  
 18 MR. SULLIVAN: Objection to form.  
 19 THE WITNESS: I can't say --  
 20 MR. SULLIVAN: What -- what is unusual?  
 21 THE WITNESS: That's what I was going to  
 22 ask: What is -- what is usual and unusual?  
 23 BY MR. DODGE:  
 24 Q **Was that the first time you had used**  
 25 **data-wiping software?**

1 **BY MR. DODGE:**  
 2 Q **Do you have the question in mind?**  
 3 A Could you break it down, please?  
 4 Q **Somehow in early 2006, you obtained**  
 5 **data-wiping software; is that right?**  
 6 A Yes.  
 7 Q **And you used that data-wiping software to**  
 8 **delete data from your computer, right?**  
 9 A Yes.  
 10 Q **Why did you use data-wiping software rather**  
 11 **than simply deleting the data using the operating**  
 12 **system of the computer?**  
 13 A Because I knew that some people in the  
 14 delete button on the computer doesn't mean anything.  
 15 You can retrieve information, files, anything with a  
 16 very basic information technology knowledge if only the  
 17 delete button is used.  
 18 Q **And what data did you delete?**  
 19 A I deleted -- if I recall it perfectly well,  
 20 I deleted data concerning Macedonia.  
 21 Q **Do you remember roughly how much data you**  
 22 **deleted?**  
 23 A I don't know how much data. I -- as far as  
 24 I remember, I deleted a directory that included files  
 25 concerning Macedonia.

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1 A I knew what a data -- data-wiping software  
 2 is.  
 3 Q **You knew what it was.**  
 4 **Had you used it before?**  
 5 A I don't remember if I used it before.  
 6 Q **Where did you get it?**  
 7 A I don't remember.  
 8 MR. SULLIVAN: Objection, asked and  
 9 answered.  
 10 BY MR. DODGE:  
 11 Q **Do you know whether you purchased it or --**  
 12 A I don't remember.  
 13 Q **-- downloaded it?**  
 14 A I don't know. Download, purchase, I don't  
 15 know. I don't remember.  
 16 Q **Okay. Do you know whether you --**  
 17 A Maybe it was on the computer. I don't  
 18 know. I don't know.  
 19 Q **Okay. But somehow you came into possession**  
 20 **of data-wiping software in early 2006 and you used that**  
 21 **software to delete data from your computer; is that**  
 22 **right?**  
 23 MR. SULLIVAN: Objection, compound  
 24 question.  
 25 Can you break it down?

1 Q **Okay. Do you remember the name of the**  
 2 **directory?**  
 3 A No. It must have had a reference to  
 4 Macedonia, though.  
 5 Q **What caused you to delete that data?**  
 6 A I had concerns that I heard and I -- I  
 7 cannot be specific what exactly I heard, because as I  
 8 said in the beginning, in the start of the  
 9 investigation, we had only very vague information was  
 10 going on. But what I heard was concerning to me, that  
 11 there are going to be people coming to my office,  
 12 sitting down to my computer, and will check that  
 13 computer for files.  
 14 At that time, my understanding was -- and  
 15 this is how I can recall the events. My understanding  
 16 was that people, most likely American lawyers, are  
 17 going to come. They are going to use certain  
 18 employees' offices and computers and will check their  
 19 computers, will check their data as they are performing  
 20 some kind of investigation concerning Montenegro.  
 21 Q **And before you deleted the data, were you**  
 22 **given any instruction from anyone at Magyar Telekom or**  
 23 **White and Case that you should delete data?**  
 24 A That I should delete data?  
 25 Q Yes.

<p style="text-align: right;">Page 455</p> <p>1 <b>I asked you?</b></p> <p>2 A I did understand the question.</p> <p>3 Q Okay. And you're satisfied that your</p> <p>4 answer was complete?</p> <p>5 A Yes.</p> <p>6 Q You testified about the conversation you</p> <p>7 had with Mr. Morvai.</p> <p>8 Why did you call Mr. Morvai and not anyone</p> <p>9 else on the subject of the data deletion?</p> <p>10 A Because Mr. Morvai was the one who was</p> <p>11 working on the same level of confidentiality -- or a</p> <p>12 similar level of confidentiality or similar level of</p> <p>13 importance in terms of Macedonia, as myself. And</p> <p>14 Mr. Morvai was also the one who was, according to my</p> <p>15 information, and that's based on hearsay and rumors on</p> <p>16 the list of people who are going to be -- who were</p> <p>17 going to be asked during this investigation, because he</p> <p>18 was the one that was on the Montenegro team and was in</p> <p>19 the Macedonia team as well.</p> <p>20 Q So did you consider, for example, maybe</p> <p>21 calling Mr. Szendrei about deleting his data relating</p> <p>22 to Macedonia?</p> <p>23 A Mr. Szendrei was not -- he was not involved</p> <p>24 in Montenegro at all.</p> <p>25 Q Okay. So in your mind, it would have been</p>	<p style="text-align: right;">Page 457</p> <p>1 the computer of the chief officer, no. Or would be</p> <p>2 allowed by security of the company or whoever.</p> <p>3 (Balogh <a href="#">Exhibit 149</a> marked for purposes of</p> <p>4 identification.)</p> <p>5 <b>BY MR. DODGE:</b></p> <p>6 Q Mr. Balogh, I'm handing you a document</p> <p>7 that's been marked Exhibit 149. 149 is a two-page</p> <p>8 document. It's on Magyar Telekom letterhead. It's a</p> <p>9 letter, a format of a letter, or memorandum, addressed</p> <p>10 to Andras Balogh, Peter Danko, Andras Dunai, Eszter</p> <p>11 Kocsardi, several others from Elek Straub and Klaus</p> <p>12 Hartmann dated February 1st, 2006, with a RE line,</p> <p>13 retention and preservation of files. Bates numbers</p> <p>14 MT-MAK 806918 and 806919.</p> <p>15 Mr. Balogh, would you take a look at</p> <p>16 Exhibit 149, please, and tell me if you can identify</p> <p>17 this?</p> <p>18 A It's from 2006. I can -- I can read it, as</p> <p>19 it said, it's retention of the preservation of files.</p> <p>20 Q I'm sorry, I'd ask you to speak up a little</p> <p>21 bit so that --</p> <p>22 A I recognize my -- my signature on this --</p> <p>23 on this document. So I assume it's a copy of the</p> <p>24 original data retention request.</p> <p>25 Q Okay. So you can identify <a href="#">Exhibit 149</a> as</p>
<p style="text-align: right;">Page 456</p> <p>1 <b>unlikely for the American lawyers to want to speak to</b></p> <p>2 <b>Mr. Szendrei?</b></p> <p>3 A Mr. Szendrei was placed in Macedonia. At</p> <p>4 that time, there was -- there was no pension or no</p> <p>5 reason whatsoever that he would be visited by anybody.</p> <p>6 Q Okay. Did you have any concerns that Mr.</p> <p>7 Straub might have confidential data relating to</p> <p>8 Macedonia?</p> <p>9 A You know, I did not, but, you know, again,</p> <p>10 that's many, many, many years ago. But at -- at that</p> <p>11 time of the investigation, it was quite, you know -- it</p> <p>12 seemed quite unlikely, I could say even -- even --</p> <p>13 again, I'm looking for the words. It's -- it's a long</p> <p>14 deposition, so I'm sorry if I can't find the words</p> <p>15 immediately. It's very unfortunate that the translator</p> <p>16 is not here when it really would be needed.</p> <p>17 But it seemed like outrageous or almost</p> <p>18 impossible that the chief officer of the company would</p> <p>19 be hassled with such a case.</p> <p>20 Q Okay. So you didn't expect Mr. Straub to</p> <p>21 be interviewed by the American lawyers, or you didn't</p> <p>22 expect the American lawyers to at least go through his</p> <p>23 computer; is that right?</p> <p>24 A No, I did not expect. I mean, I -- I did</p> <p>25 not expect that American lawyers would go to the -- to</p>	<p style="text-align: right;">Page 458</p> <p>1 a -- as a copy of a data retention request that you</p> <p>2 received?</p> <p>3 A Yes.</p> <p>4 Q And the data next to your signature, is</p> <p>5 that February 2nd, 2006? Not a very good copy, but --</p> <p>6 A Not a very good copy. I mean, the 6 is a</p> <p>7 question, but I think it must be a 6.</p> <p>8 Q And would it be your understanding that --</p> <p>9 well, the word next to your signature is "received."</p> <p>10 So did you receive this document and sign</p> <p>11 it on February 2nd, 2006?</p> <p>12 A Yes.</p> <p>13 Q Did you receive <a href="#">Exhibit 49</a> before or after</p> <p>14 you deleted the data from your computer?</p> <p>15 A Definitely after.</p> <p>16 Q Okay. Did you have any understanding that</p> <p>17 you were going to receive a letter like this before you</p> <p>18 deleted the data?</p> <p>19 A No.</p> <p>20 (Balogh <a href="#">Exhibit 150</a> marked for purposes of</p> <p>21 identification.)</p> <p>22 <b>BY MR. DODGE:</b></p> <p>23 Q Mr. Balogh, I'm handing you a document</p> <p>24 that's marked Exhibit 150, 1-5-0. <a href="#">Exhibit 150</a> is a</p> <p>25 three-page document, Bates numbers MT FARKAS 21032 to</p>

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**1 lawsuit, right?****2 A** I don't know about that.**3 Q** **You never heard about that?****4 A** I've never heard about that in any detail  
5 or what -- what charges those were. I heard that there  
6 are various political maneuvers in Macedonia.**7 Q** **Okay. And did you ever become aware of any**  
**8 investigations alleging corruption in Greece involving**  
**9 Mr. Contominas?****10 A** No.**11 MR. DODGE:** Okay. I think we'd like to  
12 take a five-minute break just to recap and see if we --  
13 see what may be left to cover.**14 MR. SULLIVAN:** It sounds good.**15 THE VIDEOGRAPHER:** We're going off the  
16 video at 5:41 p m.**17 (Deposition recessed at 5:41 p m.)****18 (Deposition resumed at 5:48 p m.)****19 THE VIDEOGRAPHER:** We are back on the video  
20 record at 5:48 p m.**21 MR. BEDNAR:** Mr. Sullivan, I think you had  
22 a representation.**23 MR. SULLIVAN:** Yes. We're going to make a  
24 point of clarification.**25 We had, of course, proceeded without the****1 In terms of your bribes question or the**  
2 **bribery question, I also want to make it very clear,**  
3 **never there was an issue about bribery. I never**  
4 **discussed bribery. There was no bribery. And bribery**  
5 **had -- had never been discussed, had never been**  
6 **mentioned. No bribery relates to anything in -- in**  
7 **this case in our discussions with -- either with Magyar**  
8 **Telekom, MakTel, its -- its -- its partners, whoever.****9 MR. BEDNAR:** Just to follow up on -- on  
10 your clarification there, which is appreciated.**11 What did you do to ensure that the**  
12 **representations that you signed were substantively**  
13 **correct and accurate?****14 THE WITNESS:** I -- I reviewed -- I -- I had  
15 an understanding of the text that was a part of the  
16 certification. And understanding the text means that I  
17 understand the accurateness of the text and the -- that  
18 it -- it represents appropriate, accurate information.**19 BY MR. DODGE:****20 Q** **So, Mr. Balogh, when -- when you signed**  
**21 certifications for Magyar's annual filing and quarterly**  
**22 filings, was it your understanding that one of the**  
**23 things you were certifying to was that there was no**  
**24 corruption that you were aware of at Magyar Telekom?****25 A** What -- what I understood, that I had to

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**1 interpreter, and I noted earlier that there may have**  
2 **been a language issue with regard to a couple of**  
3 **previous questions. I think instead of deferring, Mr.**  
4 **Balogh has some points of clarification that may render**  
5 **deferring any questions on that line unnecessary and,**  
6 **therefore, would be most expedient and productive.****7 Go ahead, Mr. Balogh.****8 THE WITNESS:** So the word I use,  
9 "precessional" became quite obvious that this is  
10 understandable word and not the right word,  
11 unfortunately. Because of the lack of translator, I  
12 couldn't find the right word. So in terms of the -- in  
13 terms of the certifications issues that you asked, when  
14 I use the word "precessional," what I meant to say,  
15 that the process itself was clerical and  
16 administrative, and I did not pay too much attention  
17 to the process itself; however, obviously, in the text  
18 that was a part of the certification or that was the  
19 substance of the certification, I had substantive  
20 information or the representations I gave. They were  
21 accurate. And all the representations, they were  
22 cleared, that there were no fraud, no bribes, no  
23 anything what -- whatsoever in -- in this field. There  
24 were accurate information, and I accurately certify  
25 that.**1 certify that accurate, corruption-free practices are**  
2 **going on in the -- in these areas.****3 Q** **Okay. Did you also understand that you**  
**4 were certifying that as -- as far as you were aware,**  
**5 Magyar's books and records were maintained accurately?****6 A** That's -- in terms of the -- the process,  
7 as I said, I did not pay attention to understanding the  
8 full process or where this information is going to be  
9 used or how it's going to be used. The substance I  
10 certified are accurate, and we're clear that there was  
11 no corruption and no fraud whatsoever in this regard.**12 How and where and in what process this**  
13 **information or this certificates were going to be used,**  
14 **that not was my concern or that not was my**  
15 **understanding. That was more the clerical and the**  
16 **administrational activity I did not pay attention to.****17 Q** **Okay. But in terms of the -- the substance**  
**18 of your certification, did you understand that the**  
**19 substance of your certification included that the books**  
**20 and records of Magyar Telekom were maintained**  
**21 accurately?****22 A** I -- I -- no. I'm not a financial expert,  
23 so I don't know what exactly books and -- and records  
24 means here.**25 What I -- what I said, that what**

1 certification I gave were accurate and were clear, that  
2 there was no bribery or no fraud associated with those  
3 certificates. Again, where it went, books and records,  
4 whatever, how it kept, that's -- that wasn't my -- you  
5 know, that wasn't in my knowledge.

6 **Q** Were you aware that -- that Magyar Telekom  
7 provided management representation letters to its  
8 auditor, PricewaterhouseCoopers, on a periodic basis?

9 **A** I wasn't aware how the process was really  
10 taking place. So I -- I -- I can't -- you know, I -- I  
11 don't know how the process was happening, and I don't  
12 know what is management representation letter, and I  
13 don't know what is a certification. You know, I don't  
14 really know the difference between those.

15 **Q** Okay. But if you were provided with a  
16 draft of a management representation letter to  
17 PricewaterhouseCoopers and were asked to certify that  
18 as far as you knew the content of that letter was --  
19 was accurate, would you have reviewed the letter and  
20 made sure that your certification was -- was correct?

21 **A** If I was presented with -- with a draft  
22 that concerned the area of my responsibility, the  
23 certification I gave were accurate. What draft, for  
24 what use, management representation letter, other  
25 certificates, I did not know, and I -- I did not pay

1 **Q** Okay. And when you say "anything," would  
2 that include --

3 **A** I mean bribe, fraud --

4 **MR. SULLIVAN:** Corruption.

5 THE WITNESS -- corruption, whatever, you  
6 know. Similar words exist in the vocabulary with the  
7 same meaning.

8 **BY MR. DODGE:**

9 **Q** At any time since you left Magyar Telekom,  
10 have you had any conversations with Mr. Elek Straub  
11 about the -- the allegations in this case?

12 **A** We had conversations with Mr. Elek Straub  
13 in a -- in a few occasions. We met socially. We met  
14 on business. And we discussed, you know, certain  
15 aspects of this entire investigation. Maybe from the  
16 process perspective, maybe -- mainly about how  
17 depositions may or may not take place. Where, when,  
18 how.

19 **Q** Did you have any conversations about what  
20 each of you would -- would say in your depositions?

21 **A** No, we did not go into these conversations.

22 **Q** When -- when was the -- the most recent  
23 such conversation you had?

24 **A** Well, before the -- the timing of -- of  
25 this deposition. That means in the -- in the last ten

1 attention to.

2 **Q** So I'm just trying to understand sort of  
3 the -- the -- the process.

4 If you received an e-mail with a --  
5 attached with an attachment that's a draft of a  
6 management representation letter and you're asked to  
7 provide a certification to that, would you read the  
8 attachment? Was that your -- was that what you would  
9 normally do?

10 **MR. SULLIVAN:** Objection.

11 This is a hypothetical, Bob. I think he's  
12 been as clear as he possibly can in terms of his  
13 verification of the accuracy, the substance of the  
14 certifications.

15 Is there a new question, perhaps?

16 **THE WITNESS:** I -- I -- I don't remember in  
17 each and every case how it went. I don't even remember  
18 how many of these representation certificates,  
19 whatever, were -- were flying around as e-mails.

20 What I -- what I was saying, what I wanted  
21 to be sure that -- that my words are clear, because I  
22 used the wrong words, substantively what I certified  
23 were accurate and did not contain any bribe, any fraud,  
24 anything.

25 **BY MR. DODGE:**

1 days, two weeks. In the recent period, we had two,  
2 three telephone exchanges, telephone conversations,  
3 discussing especially the location and the timing and  
4 the -- and the -- and the whole process of the  
5 deposition.

6 **Q** And since your departure from Magyar  
7 Telekom, have you had any conversations with Mr. Morvai  
8 about the allegations in this case?

9 **A** With Mr. Morvai, I had less contact.

10 Socially we met once or twice a year. And, again,  
11 before the deposition, I had two, three telephone  
12 conversations with him, also about the deposition, the  
13 location of the deposition. That was -- that was a key  
14 issue that we discussed.

15 **Q** Okay. When was the most recent  
16 conversation you had with Mr. Morvai?

17 **A** Again, before the deposition, the -- the  
18 week prior to the deposition.

19 **Q** Meaning week -- the last week?

20 **A** Last week.

21 **MR. DODGE:** Anything else on that?

22 **BY MR. DODGE:**

23 **Q** Beyond what you've already testified to,  
24 have you had any other discussions with Mr. Straub or  
25 Mr. Morvai about the allegations of the case?